Customers Perception of Service Quality in the Nigerian Telecommunication Sector

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Abstract
This study examines the customers’ perception of service quality in the Nigerian telecommunication sector. Data for the study was generated through questionnaire administered on a random sample of 250 undergraduate students spread across two public owned state Universities in Ogun State, South-West, Nigeria. The data was subjected to descriptive statistics. One Sample Test statistic was employed in testing hypothesis. The results of the study revealed that there was a positive and significant relationship between service quality and both, customer satisfaction and customer loyalty, and also service quality is considered as a major factor in choosing telecommunication service provider in Nigeria. Further, the study revealed that the quality of service customers received from their service providers in terms of prompt service delivery, reliability, improved service, availability of effective and efficient customer care to assist customers help in assessing their rate of satisfaction.

Keywords: Service Quality, Customers Satisfaction, Customers loyalty, Service delivery
Introduction

Communication is an important element in human life and also forms an integral part of the human society. It has been found to be one of the most important elements for the efficient growth of an economy. The electronic transfer mode which includes broadcasting and telecommunication plays an important role in information communication. With telecommunication, some of the physical constraints can be removed in all sector of the economy; this will allow increased productivity through better management and administration. In a system, the function of telecommunication is likened to that of a nervous system in a living organism, without rapid and reliable exchange of information between all parts, effective control and coordination of such system will not be possible. Therefore, optimum use could not be made of the available resources for the development of the system. The operations of the licensed telecommunication service providers in the country has created some macro-economic effects in terms of job creation, faster delivery services, reduced transportation cost, greater security and higher national output.

Telecommunication investments guarantee development which is both, geographically and culturally balanced. Telecommunication service provides a platform for economic growth by bringing buyers and sellers together; an indispensable function in a thriving market. It also facilitates the flow of information which is essential in making a market work, acts as a feedback cycle between the suppliers and their customers and more importantly, promotes trade in services upon which modern economies are built (Jean, 1993). It empowers firms to reach more customers with fewer resources and manpower.

Current competitive environment induced by globalization and advances in information technology have forced companies to focus on managing customers relationship and in particular customer satisfaction and customers loyalty, in order to efficiently maximize revenue. Thus, in this age of customer’s focus, delivering quality service is considered as an essential strategy for success and survival in today competitive environment. However, no business organization can survive without building its customer satisfaction and brand loyalty. Likewise no organization can make a healthy living without meeting the needs of its customers. That is what organizations do, they serve people’s needs. Service quality, therefore, helps in cementing the relationship between
customers and the organization and it is a two-way flow of value. This means that customer derives real value from the relationship which translates into value for the organization in the form of enhanced profitability and sustainability over a long period of time (Olu, 2010).

The competitive structure of the Nigeria telecommunication industry is consolidated, thus competition is intense among the few actors. This has resulted in the necessity to assess customer’s perception of the service quality of service providers in the sector. According to Olu (2010), there is dearth of empirical literatures relevant to the field in under-developed and developing countries, including Nigeria. Therefore this study attempts to provide more empirical evidence in the field by evaluating customer’s perception of service quality in the Nigerian telecommunication sector.

**Materials and Methods**

This study was undertaken among two state owned public Universities Students in Ogun state, South-West, Nigeria. The study adopted a survey design as it assists in collecting data from members of a population in order to determine their current status in that population with respects to one or more variables. The sampling frame consists of the student customers of the four major Nigerian telecommunication service providers (MTN, AIRTEL, GLO and ETISALAT) in the main campuses of the Universities. This is so because the students of the institutions majorly constitute the inhabitant of the local areas who use the services of the telecommunication providers. A probability sampling technique, simple random sampling was employed to ensure that every member of the population has an equal chance of being part of the sample. The respondents were administered a well-designed questionnaire to elicit information from them. 300 copies were administered. However, only 250 respondents filled the questionnaire adequately and were used for our data analysis. It consists of two sections: bio data and research questions. The questionnaire has three variables namely: service quality (independent), customer satisfaction and customer loyalty (dependent variables) and used a five scales thus: strongly agree, agree, undecided, disagree and strongly disagree, and with 5 point allocated to strongly agree and 1 point to strongly disagree. Furthermore, data obtained was analyzed using descriptive statistics while One-Sample Test statistic analysis was also adopted under the inferential statistics. This was used in testing the research hypotheses.
Literature Review

Quality is one of the most important watchwords when managing for high performance and competitive advantage; it has become the theme of the day. Customers want quality whether they are buying consumer goods or receiving a service. Crosby (1979) defines quality as conformance to specification where the specification has been developed from the expressed needs of the consumers. One of the major ways a service firm can differentiate it is by delivering consistently higher quality service than its competitors (Kotler and Armstrong, 2006).

A service is a process that leads to an outcome during partly simultaneous and consumption processes (Gronroos, 2001). A service firm’s ability to hang onto his customers depends on how consistently it delivers value to them. Perhaps, customer retention is the best measure of quality (Thomas and Page, 2002). Top service companies set high quality standards. They understand the service-profit chain which links service firm profit with employee and customer satisfaction.

Parasuraman, Zeithmal and Berry (1988) define service quality as the results from the comparison of customer’s expectation with perceived performance of services. Service quality can also be described as a rationale of differences between expectations and competence along the important quality dimension. It is commonly noted as a critical pre requisite and determinant of competitiveness for establishing and sustaining satisfying relationship with customers. However, service quality is harder to define than product quality; for example, it is harder to agree on the quality of hair cut than on the quality of hair dryer. Service quality is different from the quality of goods. Since services are intangible, perishable produced and consumed simultaneously and heterogeneously (Zeithaml and Bitner, 2000).

Conversely, Johnson and Sirikit (2002) state that service delivery systems have the ability to allow managers of company to identify the real customer feedback and satisfaction on their telecommunication service since quality reflects the customer’s expectations about a product or service. So, it sounds as a major problem for the telecommunication service providers, especially for the mobile telecommunication service providers to deliver quality service consistently as changes in market compositions and competing
characteristics have been surfacing incessantly (Rahman, Haqueismail and Ahmad, 2010).

Customer’s expectation of a particular service is determined by factors such as recommendations, personal needs and past experiences. The expected service and the perceived service might not be equal thus leaving a gap; the difference, imbalance or disparity which exists between customer’s perception of firms’ performance and their prior expectation. Management of service quality largely focuses on managing the gaps between expectations and perceptions of customer’s (Zeithmal et al., 2003). The goal of the firm is to minimize the gap between perception and expectation.

According to Parasuraman et al., (1985), the appearances of a gap can be influenced by ten factors. They include: competence, courtesy, credibility, security, accessibility, communication, knowing the customers, tangibles, reliability and responsiveness. These ten factors were later reduced to five thus: reliability, responsiveness, assurance, empathy and tangibles. Based on these five factors, the 22-item SERVQUAL item was developed. According to Juran (1989) measurement of quality in a service organization was classified along two dimensions: internal and external. Internal measurement is to measure the internal process, while external measurement is to measure the quality of products or services based on customer satisfaction. The main yardstick of performance in quality for service organizations is external customer satisfaction.

Among various measures of service quality, two are most widely accepted and used by researchers, the SERVQUAL model by Parasuraman et al., (1988) and the Technical and Functional Quality framework by Gronroos (1984, 1990). Parasuraman et al., (1985) proposed a conceptual framework of service quality based on the interpretation of qualitative data from extensive explanatory research performed in four service businesses. The SERVQUAL instrument has been used widely all over the world although it is not without criticisms.

Generally, there are two general conceptualizations of satisfaction, namely, transaction-specific satisfaction and cumulative satisfaction (Yi and La, 2004). Transaction-specific satisfaction is a customer’s evaluation of his or her experience and reactions to a particular service encounter (Boshoff and Gray, 2004), and cumulative satisfaction refers to the customer’s overall evaluation of the consumption experience to date (Johnson, Anderson and Fornell, 1995).
Service providers pay high attention to customer satisfaction, because it has been seen as a prerequisite to customer retention. As a positive outcome of marketing activities, high customer satisfaction leads to repeat visitation to stores, repeat product purchases and word-of-mouth promotion to friends, while low customer satisfaction has been associated with complaining behavior. A satisfied customer often stays loyal longer and is likely to patronize the firm in the future (Kotler and Armstrong, 2006).

Product and service quality, customer satisfaction and company profitability are intimately connected. Higher levels of quality result in higher levels of customer satisfaction which support higher prices and lower costs. Greising (1994) states that the bottom-line orientation forces companies to make sure that the quality of the product offering is in fact the quality consumers actually want. Consequently, Rust and Oliver (1994) pointed out that companies need to measure consumers satisfaction with their products and services.

Previous researches have noted significant importance of customer satisfaction, although in different ways. The degree of consumer satisfaction will depend on the quality of brand characteristics that are offered by a company (Gerport, Rams and Schindler, 2001). To retain consumers, however, it is important to satisfy them. The unsatisfied consumers of a company do not take time to switch from such brand and also ‘demarket’ the concerned brand or company. Highly satisfied customer’s make repeat purchases and tell others about their good experiences with the services or product. Low quality services can also lead to dissatisfaction (Olu, 2010). A low quality service is such type of service which does not fulfill the requirements and consumers expectations.

There are overwhelming arguments that it is more expensive to win new customers than to keep existing ones. For example, customer replacement costs, like advertising, promotion and sales expenses are high and it takes time for new customers to become profitable. Thus, outstanding firms aim at delighting customers by promising only what they can deliver, then delivering more than they promise (Olu, 2010).

Customer loyalty has received much attention from both practitioners and researchers. It is recognized as a primary instrument for enhancing firms’ financial performance in today competitive markets (Muhammad, 2012). Customer’s loyalty is as a result of an
organization creating a benefit for customers so that they will maintain an increasing repetitive business with the organization (Anderson and Jacobsen, 2000).

According to Oliver (1999), customer loyalty is a deeply held commitment to re-buy, or re-patronizes a preferred product or services consistently in the future, despite situational influences and marketing effort having the potential to cause switching behavior. Loyalty is used to describe the willingness of a customer to continue patronizing a firm goods and services over a long period of time and on a repeated and preferably exclusive basis and voluntarily recommending the firms product to firms and associates (Lovelock, 1996).

Based on theoretical knowledge, positive relationship between service quality, customer satisfaction and customer loyalty are well documented in the literature. Service quality results in repeated sales and increased market share, which leads to customer loyalty. However, good service recovery can turn angry customers into loyal ones. In fact good recovery can win customer purchase and loyalty than if things had gone well in the first place. Therefore companies should take steps not only to provide quality service every time but also to recover early from service mistakes when they occur (Kotler and Armstrong, 2006).

Customer loyalty in telecommunication is concerned with the length of time and the frequency with which customers stay and remain with service providers. The longer the time a customer remain on and the more frequently he patronizes a service provider, the more such customer became loyal. It is therefore the desires of all telecommunication service providers in Nigeria to retain large numbers of their customers. The current saturated level of Nigeria telecommunication service growth and intense competition in the industry has left the various service providers with no option other than seeking to maintain the existing customers and lock them into loyalty (Adepoju and Suraju, 2012).

**Empirical Review**

Researchers have investigated the perceptions of customers of telecommunication service with regards to quality. These studies provide insight to the quality dimension that service providers need to consider in order to remain competitive in the industry. Adepoju and Suraju (2012) studied the determinants of customer loyalty in Nigeria GSM market. Using a sample of 252 respondents drawn from customers
of the four major GSM companies in Nigeria and who reside in Lagos State, the findings reveals that a good corporate image of GSM operators driven by promotion, service quality and price can make customers to become loyal.

In the study of Olatokun and Nwonne (2012) who examined mobile service providers in the Nigerian based on the survey of 367 users, the empirical evidence shows that call rate remains the most significant of the factors, while brand image is the least preferred factor in user’s perception when selecting a service provider. In Malaysia, Siew-Phaik et al., (2010) studied service quality and customer satisfaction among telecommunication service providers. A sample of 200 respondents was used comprising Malaysians, Indians and Chinese. They examine the differences in the five service quality dimension using the SERVQUAL model and also examined the impact of the five service quality dimensions on customer perception of services delivered. The result of the study confirmed a significant positive relationship between service quality and customer satisfaction except in the area of tangibility or physical aspects. Prompt and reliable services are vital to attract, serve and retain customers.

Given the literature reviewed, we therefore hypothesize:

H1: service quality has a significant and positive relationship with customer satisfaction.
H2: service quality has a significant and positive relationship with customer loyalty.
H3: service quality is a significant factor in choosing telecommunication service provider.

Results and Discussion

The demographic analysis of respondents revealed that 58.4% of the respondents are females, while 41.6% are male. Majority of the respondents are of age 15-30 years while only 4.8% are above 30 years. The respondents use of service providers analysis revealed that 47.6% use MTN, 22% use AIRTEL, 20.4% use GLO and the remaining 10% use ETISALAT. About 47% of the respondents use only one network, 37.6 uses two networks, while the remaining 14.8% uses above two networks. In terms of years on the networks, 58.4% have spent 1-4 years with their service providers, 34% have spent about 5-8 years while 7.2% have spent above 8 years with their service providers.
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Furthermore, it revealed that majority of the respondents are aware of MNP, but are not willing to port.

**Testing of Hypotheses**

**Decision Rule**

We accept the null hypothesis if the p-value and t-value is greater (>0) than 0.05 and 0.01 respectively, and reject the alternate hypothesis. We reject the null hypothesis if the p-value and t-value is less than (<0) 0.05 and 0.01 respectively and accept the alternate hypothesis.

Hypothesis 1: *Service quality has a significant and positive relationship with customer satisfaction.*

**Table no. 1: One Sample Test**

<table>
<thead>
<tr>
<th>Statement</th>
<th>T</th>
<th>Df</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am highly satisfied with the quality of services provided by my service provider.</td>
<td>-965.410</td>
<td>249</td>
<td>.000</td>
<td>-91.552</td>
<td>-91.739 -91.365</td>
</tr>
</tbody>
</table>

The one sample t-test shows a p-value of 0.00 and a t value less than 0.01 (table 1). Therefore, the research hypothesis could be retained. It is therefore concluded that service quality has a significant and positive relationship with customer satisfaction. The finding agrees with the conclusions of Siew-Phaik *et al.*, (2010) who surveyed different nationals in their study and concluded quality of service is a condition for consumer satisfaction.
Hypothesis 2: Service quality has a significant and positive relationship with customer’s loyalty

Table no. 2: One Sample Test

<table>
<thead>
<tr>
<th>Statement</th>
<th>t</th>
<th>Df</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
<th>95% Confidence Interval of the Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>The quality of service I received from my service provider makes me loyal.</td>
<td>-993.064</td>
<td>249</td>
<td>0.00</td>
<td>-91.452</td>
<td>-91.633 to -91.271</td>
</tr>
</tbody>
</table>

Table no. 2 shows the result of one sample test for hypothesis 2 revealing a p value of 0.00 and a t value less than 0.01. Consequent to this, the hypothesis is retained. It is therefore affirmed that service quality has a significant and positive relationship with customer loyalty. This follows and in tandem with the first hypothesis. Thus, when consumers experience satisfaction given the quality of service they receive overtime, they tend to develop loyalty to the service provider and her products and unconsciously promote the brand by not only making repeated purchase but also recommending the products to associates. This finding seems to agree with the conclusion of Adepoju and Suraju (2012) that service quality and price can make customers to become loyal in the telecommunication sector.

Hypothesis 3: Service quality is a significant factor in choosing telecommunication service providers
The one sample test shows a p value of 0.00 and a t value less than 0.01 as shown in table no. 3. As a result of this, the hypothesis is accepted. It is therefore concluded that service quality constitute a significant factor in choosing telecommunication service providers. This seems to confirm the conclusion of Adepoju and Suraju (2012).

### Conclusion and Recommendation

Telecommunication industry in Nigeria is the fastest growing sector, especially the mobile market. This development has become a catalyst for the growth of the nation’s commercial and industrial sectors. Organizations ability to deliver quality service is seen as a fundamental strategy for survival and success in the competitive industry. In the provision of improved service quality, telecommunication companies should necessarily assess the degree of customer’s sensitivity and expectations in relations to service quality. Customers experience based on interaction with service providers, and the manners in which services are provided, facilitates or hinders profitability and survival of the organizations. The outcome of this study has shown that customers put at first, the quality of service they receive from their service providers in assessing their rate of satisfaction, loyalty and choosing their service providers. Delivering prompt reliable and improved service will increase customer’s commitment to services since customers constitute the bedrock of a business.

This study further made useful recommendation. Organizations should design programs to measure service quality and customer perception on a regular basis in order to evaluate performance. This is in respect to how organization’s performance fall short of, match or
exceeds customer satisfaction, ability to influence customers intention to re-patronize and determine the major factor considered in choosing service providers as the dimensions may keep changing. As this will assists in ensuring cordial relationship between customers and telecommunication service providers in order for organizations to achieve their objective at its peak level.

Also future studies should capture other factors that are capable of influencing customer’s perception in the Nigerian Telecommunication industry.

Bibliography
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